

# eRecording eXcellence

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Sokolowski, Co-Chairs  
eRecording eXcellence  
Committee

PRIA Annual Conference -  
Memphis 2012



# eRecording

In 1991, the first eRecording XML Standards Meeting took place...

In October 2011, 30 industry stakeholders gathered at an eRecording Summit to do an eRecording “environmental scan” ...

# Focus Question

What can the industry do to increase the number of eRecording counties, and document submitters and build industry awareness of the importance of data integrity in an XML transaction?

# eRec Summit Recommendations

(19) recommendations came out of the meeting with the goal of marketplace adoption of eRecording:

- Create an eRecording eXcellence PRIA workgroup
- Create an eNotary PRIA workgroup
- Educate in eRecording and eNotarization practices
- Create a network and improve communication with industry stakeholders such as ALTA, AEA, MBA, NASS, etc.
- Utilize a PRIA Speakers Bureau for education
- Create an eRecording State Mentor program

# eRec Summit Recommendations

- Create education eRecording videos
- Groom state champions, leaders and consultants
- Serve as an information source for county, state and federal elected officials and agencies
- Enhance PRIA website with eRecording information
  - **DRIVE THE PUBLIC AUDIENCE TO PRIA**
- Drive education by adding key information/education on industry stakeholder websites
- Make it clearer about the ROI for eRecording
- Align the industries

# eRec Summit Recommendations

- Publicize all PRIA best practices and other PRIA products
- Connect with the 10 States that have not started using eRecording
- Identify funding sources if required
- Reach out to consumer protection agencies
- Create needed and updated eRecording standards and best practices
- Inventory states eRecording strategies and provide assistance

# eRecording Status

Currently there are 808  
eRecording Counties...

And, approximately 6,000  
document submitters...

# eRec eXcellence Projects Underway

- Creation of the eRecording eXcellence Committee and eNotary Workgroup:
  - Barriers, Myths and Impediments to eRecording document
  - Conversations with the Leadership in the 10 Non-eRecording States
  - eRecording Educational Videos
  - eRecording Mentors Program
  - eRecording Section on PRIA Website
  - Inventory of 100% eRecording States
  - eNotarization - Barriers and Myths document



# Education

“People are down on what they are not up on.”

- Leann Tolly

# Essential Components of the eNotary

## eNotary Workgroup Co-Chairs:

- De Ana Thompson, San Bernardino County
- Marc Aronson, PA Notary Association

# Essential Components of the eNotary

- Legal Authorization
- State Roadblocks
- Technology
- Education
- Action Plan

# Myths and Barriers to Implementing eRecording

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# Program

What stands in the way of  
eRecording adoption across the  
United States?

# Perspectives

We asked that question and here's what we heard from a variety of perspectives:

- 1)Recorders (REC)
- 2) Document Submitters (DS)
- 3) Notary Publics (N) - (see separate document/discussion)
- 4) eRecording Vendors (eR)
- 5) Land Records Management Software Vendors (LRM)
- 6) Quasi-Public Portal Companies (P)

# Categories of Issues

It seemed that from all perspectives, the perceived issues could be put into some general categories:

- A. Security or Technology Concerns with Digital Docs
- B. Legislation not Adequate, Rules not in Place
- C. Cost of Doing Business with Paper, Digital Docs and Multiple Vendors
- D. Current Workflow/Company Structure Issues including Ways of Accepting Payment, How We've Always Done Business and General Myths/Misunderstandings
- E. Additional Indexing/Requirements for eRecorded Docs

# Categories of Issues

We'd like to share with you today just a few myths or barriers from all perspectives within each barrier category.

(For complete document copies: eRec Barriers and Impediments and eNotary Barriers, put together by PRIA members from all segments of the industry, go to: [www.pria.us](http://www.pria.us))



# Security/ Technology Concerns

## Implementation Issues

- eRecording Vendors (eR): “Sometimes there are technology limitations to implement eRecording within a county’s existing legacy LRM system.”
- Land Rec Mgmt Software Vendors (LRM): “Often the implementation of eRecording is different technologically from an LRM perspective than that of the eRecording vendor.”
- Portal Vendors (P): “Often there is a lack of integration with Land Record Management Systems and eRecording Vendors.”
- REC: “County Councils or Commissioners may prohibit use of what they perceive as “new” technology.”

# Security/ Technology Concerns

Less Secure/ Susceptible to Fraud

- REC: “There still exists the perception that intrinsically an electronic document is less secure than a paper document.”
- REC: “There is a perception that eRecording is more susceptible to use in fraud cases, even though there are few examples of this and often paper documents are utilized in actual fraud cases.”

# Security/ Technology Concerns

## eNotarization and Digital Signatures

- REC: “RECs often believe that they need to wait until all technology issues theyve heard about are resolved; the primary ones being eNotarization and digital signatures.
- LRM: “Sometimes LRMs wait to invest in creating modules until all technology issues are resolved such as eNotarization and digital signatures.”

# Legislation/Rules Inadequate

eRecording Vendors (eR): “Many states have a Trustee requirement which must be accommodated before documents can be eRecorded.”

Portal (P): “Public funded Ps involve legislative issues and requirements that must be met before implementing, which slows the process.”

Recorders (RECs): “Often Recorders require state legislation authorizing the use of different media than paper for recording. In general there is confusion about what legislation exists or is required to implement eRecording.”

# Legislation/Rules Inadequate

- General Legislative concerns:
  - The Uniform Electronic Transactions Act (UETA) states that there shouldn't be a difference in legal requirements in paper versus electronic formats, but often counties require more. Few people from any of the above perspectives understand UETA.
  - Under the Federal Electronic Signatures Act (ESIGN) the Uniform Real Property Electronic Recording Act (URPERA) and UETA notaries may use any process to attach an electronic signature.

# Cost and Funding Concerns

Portal Vendors (P): “If portal systems are publicly funded, there are sometimes issues with quick implementation due to the restrictions on public monies and the fact that portals of any type are not particularly commonly used in the public sector.”

Document Submitters and REC: “The cost vs. benefit of eRecording is often misunderstood by DS and REC. There is the belief that it is expensive to do BOTH eRecording and paper since it will “cost more” - experienced submitters that do both formats have found much less cost disparity than expected and additional benefits to compensate.”

# Cost and Funding Concerns

Document Submitters (DS): “To cover all eRecording counties, DS need to utilize multiple eR vendors.”

eRecording Vendors (eR): “eRs are impeded in implementing eRecording by either the LRM or the REC because of use of a different technology architecture (i.e. database management) for their recording system. It is often assumed to be costly for the LRM and the REC to create an eRecording module.

Portal (P): “Some Ps require additional payment from eRecording vendors.”

# Cost and Funding Concerns

Land Rec Mgmt (LRM): “Sometimes LRMs budget long term for future eRec modules, so are unable to implement eRecording into the REC legacy systems. Often eRecording XML interfaces are not always part of the recording software.”

LRM: “Sometimes LRMs may limit their customers by choosing to work with only one vendor for eRecording.”

Portal (P): “P vendors frequently require an additional fee plus the recording fee, making eR transactions more expensive than direct delivery solutions.”



# Cost and Funding Concerns

Recorders (REC): “RECs believe there will be a high cost for LRM eR modules.”

REC: “Often RECs believe that a submitter/customer shouldn't have to “pay” in any way for submitting documents electronically even though DS now pay to submit paper documents via the mail, Fedex, couriers, etc. Often this feeling goes against a Recorder's principals regarding ever adding fees for constituents.”

REC: “RECs often are reluctant to pay a fee to portals for delivering the documents, and perceive this as increasing the cost of recording.”

# It s Not How We Operate

DS: “We understand REC routing requirements may impede the implementation of eRecording” (i.e. document must be seen by other departments in the county).

DS: “DS must utilize too many eR vendors to maintain broad coverage.”

DS: “Often there s a tax payment accompanying a recording so unless they are both handled electronically it is easier to do both via paper.”

DS: “REC still require “cash in hand same day” which eliminates use of ACH, even though they currently accept checks and even blank checks for paper documents, which in fact delay payments.”

# It's Not How We Operate

LRM: “RECs often don't make direct requests for us to create eRec functionality.”

LRM: “Complex and sometimes restrictive policy or contracting process slows down implementation of new modules.”

Portals (P): “Ps are often misunderstood by RECs and others especially regarding “required” participation by all counties, etc. There is industry misperception that portal systems need to “do it all” - i.e. Recording, eRecording, etc. before they are ready to be implemented or used.”

# It's Not How We Operate

Recorders (REC): “eRecording seems to be too difficult or “technical” for our staff.”

REC: “Often RECs wait for a “larger” system to emerge or other changes to occur, such as implementation of a statewide portal or the purchase of a new LRM system, before implementing any eRs into their legacy LRM system.”

REC: “Some RECs perceive that DS do not want to eRecord until the REC will accept all types of e-docs.

# It's Not How We Operate

REC: “Some RECs believe that there is no need to eRecord because their document volume is low or they are too “small”.

REC: “Sometimes there is a REC perception that there will be a loss of jobs resulting from eRecording implementation even though there usually is a backlog of work or other office projects to complete to keep staff.”

REC: “RECs often don't like dealing with multiple queues such as mail and over-the-counter document arrivals; and are concerned about dealing with multiple eR vendors.”

# It s Not How We Operate

REC: “There is here is still a perception by RECs that eRecording is “new” and therefore “scary” even though eRecording has been going on for over 10 years and most issues have been resolved and framed into a simpler, common framework.

REC: “RECs believe that eRecording adds an extra and more difficult accounting or workflow task for their staff.”

# Additional Indexing is Needed

DS: “There are often additional and/or inconsistent indexing requirements for eRecording vs. paper recording. Since there are no indexing requirements for paper documents, it is often more difficult for submitters to prepare to the “higher” standards required for eRecording and risk rejection. Sometimes documents that are accepted in paper format are rejected when submitted electronically which is of concern to the DS.”

REC: “Sometimes RECs believe eRecording will be “lights out” and/or that all indexing will be done by DS to individual REC standards automatically.”

**Let's Talk**

**Discussion!**



# Next Steps...

- Continue education efforts in eRecording and eNotarization practices by using the PRIA Speakers Bureau
- Create a network and improve communication with industry stakeholders such as ALTA, AEA, MBA, MISMO etc.
- Strengthen the eRecording State Mentor program (currently 16 mentors)
- Promote education eRecording videos and white papers